

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING**

**Call to Order:** By **CHAIRMAN MATT MCCANN**, on January 22, 2001 at 8:00 A.M., in Room 350 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Matt McCann, Chairman (D)  
Sen. Tom A. Beck (R)  
Rep. Dave Kasten (R)  
Sen. Jon Tester (D)  
Rep. Steve Vick (R)

**Members Excused:** Sen. Bob Keenan, Vice Chairman (R)

**Members Absent:** None.

**Staff Present:** Jane Hamman, OBPP  
Andrea Hyatt, Committee Secretary  
Brian McCullough, Legislative Branch  
Jon Moe, Legislative Branch  
Christi Tyson, OBPP

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: HB 7, 1/18/2001  
Executive Action:

#### **HB 7 Reclamation & Development Grants Program**

**NOTE:** The reference booklet for these projects is the Volume 4 of the Governor's Budget Fiscal Years 2002-2003.

**John Tubbs**, Department of Natural Resources and Conservation (DNRC), presented an overview of the Reclamation and Development Grants Program (RDGP). He introduced **Greg Mills**, Program Officer, and **Kathleen Richards**, Project Evaluator, who work in the RDGP program.

**Mr. Tubbs** discussed the creation, history and projects of the program. Committee members questioned the process to determine which wells are chosen; cost; who responsible, mineral rights, contamination and other questions. They then went on to the hearings.

*{Tape : 1; Side : B; Approx. Time Counter : 46}*

**CHAIRMAN MCCANN** opened the hearing on the **ONTARIO WET TAILINGS RECLAMATION, PROJECT NO. 4, PG 11.**

**Proponents' Testimony:**

**Greg Mills, DNRC,** reviewed the project and their recommendation which included a contingency.

**Ron Hanson, Engineer for Powell County,** provided a visual of the area and the possible effects of people living downstream from the various minerals in the area. He provided a handout of pictures of the area. **EXHIBIT(jlh17a01)**

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**SEN. TESTER** questioned the matching funds and location. **Ron Hanson** responded. **Curt Cuneo, forest service Helena,** provided further information on the grant and funding. **REP. VICK** questioned who owns the land and their responsibility. **REP. KASTEN** questioned "in kind" funds. **Curt Cuneo** responded. **CHAIRMAN MCCANN** questioned the contingency. **Greg Mills** responded. **SEN. BECK** questioned the water flow. **CHAIRMAN MCCANN** questioned the access roads in to the forest service land. **Curt Cuneo** responded.

**CHAIRMAN MCCANN** closed the hearing on the **ONTARIO WET TAILINGS RECLAMATION, PROJECT NO. 4, PG 11.**

**CHAIRMAN MCCANN** opened the hearing on the **RECLAMATION OF BREWERY FLATS ON BIG SPRING CREEK, PROJECT NO. 5, PG. 14.**

*{Tape : 1; Side : B; Approx. Time Counter : 303}*

**Proponents' Testimony:**

**Greg Mills, DNRC,** reviewed the project and their recommendation.

**Don Pfau, Chairman of the Brewery Flats Reclamation Project**, discussed the project and its history. He provided the committee with a booklet entitled "City of Lewistown Reclamation of Brewery Flats on Big Spring Creek. **EXHIBIT(jlh17a02)** He stated that there were other people in the audience and that he represented **Vern Peterson, County Commissioner and J. R. Strand, Lewistown Chamber of Commerce. Karl Gies, Lewistown City Commissioner**, was unable to attend today due to illness, his testimony is in the booklet.

**Richard Oppen, Executive Director Missouri River Basin Association**, discussed the history and importance of Big Spring Creek.

**Isaac Oppen, Member, Lewistown Junior High School "Chemical Chasers"**, discussed his interest in Big Spring Creek and how he became interested in the pollution. He did research on the creek and PCBs. Once his project was publicized, the State Department of Environmental Quality (DEQ), Fish, Wildlife & Parks, EPA and the Montana Power Company came out and took tests. They did not find the source of the PCBs, so he and friends did further research and interviews with previous railroad workers; they believe they have discovered the source. His report is in the booklet (**EXHIBIT 2**).

*{Tape : 2; Side : A; Approx. Time Counter : 6}*

**Duane Ferdinand, Planning Director, City of Lewistown**, discussed the growth in the area and the need for clean water.

**REP. BILL PRICE, HD 94**, discussed the history and spoke in favor of the funding.

**REP. BILL THOMAS, HD 93**, described the area and spoke in favor of the funding.

**Sandy Olsen, Department of Environmental Quality (DEQ)**, worked with Lewistown on this project and is in favor of funding.

**Opponents' Testimony:** None

**Questions from Committee Members and Responses:**

**REP. KASTEN** asked what equipment was used in his research. **Isaac Oppen** responded. **CHAIRMAN MCCANN** questioned the total scope of the cleanup and will it need more funds. **Greg Mills** responded. **Sandy Olsen** provided further information. **CHAIRMAN MCCANN**

questioned the Fish, Wildlife and Parks contributions. **Jane Hamman, Office of Budget & Program Planning (OBPP)**, responded.

**CHAIRMAN MCCANN** closed the hearing on the **RECLAMATION OF BREWERY FLATS ON BIG SPRING CREEK, PROJECT NO. 5, PG. 14.**

**CHAIRMAN MCCANN** opened the hearing on the **FORMER CHICAGO, MILWAUKEE RAILROAD PASSENGER FUELING AREA, DEER LODGE, PROJECT NO. 8, PG. 22.**

*{Tape : 2; Side : A; Approx. Time Counter : 112}*

**Proponents' Testimony:**

**Greg Mills, DNRC**, reviewed the project and their recommendation.

**Lyle Gillette, Mayor of Deer Lodge**, described the project and their plans.

**Sandy Olsen, DEQ**, spoke in favor of the project and funding.

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**SEN. TESTER** questioned if there was more than diesel fuel contamination. **Sandy Olsen** responded. **REP. VICK** questioned how the city acquired the land. **Mayor Gillette** responded. **CHAIRMAN MCCANN** questioned if this was the final clean-up. **Steve McNeil, Tetra-Tech**, responded. **CHAIRMAN MCCANN** questioned matching funds. **Sandy Olsen** responded.

**CHAIRMAN MCCANN** closed the hearing on the **FORMER CHICAGO, MILWAUKEE RAILROAD PASSENGER FUELING AREA, DEER LODGE, PROJECT NO. 8, PG. 22.**

**CHAIRMAN MCCANN** opened the hearing on **BIG BELT MINE RECLAMATION PROJECT, PROJECT NO. 7, PG. 20.**

*{Tape : 2; Side : A; Approx. Time Counter : 255-518}*

**Proponents' Testimony:**

**Greg Mills, DNRC**, reviewed the project and their recommendation.

**REP. GAY ANN MASOLO, HD 40**, spoke in favor of funding and provided a 5 page document discussing the project and pictures.

**EXHIBIT(jlh17a03)**

**SEN. DUANE GRIMES, SD 20** spoke in favor of funding.

**Cliff Cox, Chairman, Broadwater Conservation District**, discussed the sponsorship of the project and provided the committee with a copy of the grant application. **EXHIBIT(jlh17a04)**

**Kelly Ingalls, Supervisor, Broadwater Conservation District**, discussed the weed district concerns.

**Charlotte Lewis, District Administrator, Broadwater Conservation District**, in support of the project.

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**REP. KASTEN** and **SEN. TESTER** questioned funding. **Cliff Cox** responded. **REP. VICK** questioned re-landscaping, removal and funding. **Cliff Cox** and **Kelly Ingalls** responded. **CHAIRMAN MCCANN** questioned the scope of the project.

**NOTE:           TAPE 2, SIDE B IS BLANK!   I GOOFED!   PROCEED TO  
                  TAPE 3, SIDE A.**

*{Tape : 3; Side : A; Approx. Time Counter : 0-11}*

**Cliff Cox** responded.

**CHAIRMAN MCCANN** closed the hearing on **BIG BELT MINE RECLAMATION PROJECT, PROJECT NO. 7, PG. 20.**

*{Tape : 3; Side : A; Approx. Time Counter : 12}*

**CHAIRMAN MCCANN** opened the hearing on the **UPPER CLARK FORK BASIN, SUPERFUND TECHNICAL ASSISTANCE, PROJECT NO. 9, PG. 26.**

**Proponents' Testimony:**

**Greg Mills, DNRC**, reviewed the project and their recommendation; this is a continuing project.

**Jon Sesso, planing director Butte-Silver Bow**, he represents all the counties: Butte-Silver Bow, Anaconda, Deer Lodge, Powell and Granite. He provided background and history on the project.

**Opponents' Testimony:** None

**Questions from Committee Members and Responses:**

**SEN. TESTER** questioned how decide on the grant request amount and if there were previous studies on the Clark Fork Corridor. **John Sesso** responded. **REP. VICK** questioned the funds received from ARCO for damages. **John Sesso** discussed how the \$200 million was identified for use. **SEN. BECK** provided information to the committee on the funding. **John Tubbs** provided further background information.

**CHAIRMAN MCCANN** closed the hearing on the **UPPER CLARK FORK BASIN, SUPERFUND TECHNICAL ASSISTANCE, PROJECT NO. 9, PG. 26.**

**CHAIRMAN MCCANN** opened the hearing on the **2001 EASTERN & NORTHERN DISTRICTS ORPHANED WELL PLUG AND ABANDON; AND SITE RESTORATION, PROJECTS NO. 1 & 2, PG. 7.**

*{Tape : 3; Side : A; Approx. Time Counter : 357}*

**Proponents' Testimony:**

**Greg Mills, DNRC,** reviewed the projects and their recommendations.

**Tom Richmond, Board of Oil & Gas Conservation,** described the projects, the history and funding.

**Steven Sasaki, chief field inspector of Board of Oil & Gas,** passed around pictures of various wells from the projects and discussed the scope of the work.

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**SEN. TESTER** questioned the cost of plugging wells, funding and who originally plugged the wells. **Steven Sasaki** and **Tom Richard** responded. **REP. KASTEN** questioned emergency funds and when used. **REP. VICK** questioned what the site location looked like after being capped. **Tom Richard** responded. **REP. TESTER** questioned the number of wells in the state that leak. **Steven Sasaki** responded.

**CHAIRMAN MCCANN** closed the hearing on the **2001 EASTERN & NORTHERN DISTRICTS ORPHANED WELL PLUG AND ABANDON; AND SITE RESTORATION, PROJECTS NO. 1 & 2, PG. 7.**

**NOTE:** **CHAIRMAN MCCANN** had to leave to attend another meeting and will return; he asked **REP. KASTEN** to fill in.

**REP. KASTEN** opened the hearing on the **2001 SOUTHERN DISTRICT ORPHANED WELL PLUG AND ABANDONMENT, AND SITE RESTORATION, PROJECT NO. 10, PG. 29.**

*{Tape : 3; Side : B; Approx. Time Counter : 153}*

**Proponents' Testimony:**

**Greg Mills, DNRC,** reviewed the project and their recommendation.

**Tom Richmond, Board of Oil & Gas Conservation,** described the projects, the history and funding

**Steven Sasaki, chief field inspector of Board of Oil & Gas,** provided pictures of wells and discussed the history and plans of the project.

**Opponents' Testimony:**     None.

**Questions from Committee Members and Responses:**

**REP. KASTEN** questioned who inspected the wells when they were abandoned. **Steven Sasaki** responded. **SEN. TESTER** questioned the ranking of projects. **Greg Mills** responded. **Jane Hamman** questioned if there was more exploration now that the price is up. **Tom Richmond** responded and provided further background on inspections.

**REP. KASTEN** closed the hearing on the **2001 SOUTHERN DISTRICT ORPHANED WELL PLUG AND ABANDONMENT, AND SITE RESTORATION, PROJECT NO. 10, PG. 29**

**REP. KASTEN** opened the combined hearings on the **2000 GLACIER COUNTY PLUGGING AND ABANDONMENT, AID TO INDEPENDENT OPERATORS, PROJECT NO. 23, PG. 61; LIBERTY COUNTY (BEAR PAW PLUG.....) PROJECT NO. 25, PG. 66 AND PONDERA COUNTY, PROJECT NO. 24, PG. 64.**

*{Tape : 3; Side : B; Approx. Time Counter : 266}*

**Proponents' Testimony:**

**Greg Mills, DNRC,** stated that these three projects are all identical and all three involved re-authorized funds granted to Toole County in 1999. He clarified that the funding for Toole County is still intact. He discussed the history, background and explained the funding for each project.

**Karen Bowmans, grant writer,** requests that Toole County be allowed to retain its current funding. Also here on behalf of Glacier County as their grant writer. She provided the committee with a 5 page document entitled "Toole County Plug/Abandon Grant". **EXHIBIT(jlh17a05)** She discussed the cost of plugging wells in the area.

**Bill Icenoggle, Glacier County Commissioner,** discussed funding and their need for funds.

**Opponents' Testimony:**

**Elaine Mitchell, self employed accountant/income tax preparer, Cut Bank, Mt.,** does not agree with the department reallocating funds and taking funds away from Toole County.

**Informational Testimony:**

**Greg Mills, DNRC,** stated that they intend to honor the original full contract with Toole County and explained their original decision.

**Further Opponents' Testimony:**

**Dan Mitchell, lives in Cut Bank, owns oil and gas production in Toole County,** discussed why they were slow to use funds and wants to keep the funds in Toole County.

**Carl Weniger, lives in Glacier, operates oil wells in Toole County,** he requested that the funds remain in Toole County for the same reasons as Mr. Mitchell.

***{Tape : 4; Side : A; Approx. Time Counter : 4}***

**Informational Testimony:**

**Patrick Montalban, representing the Northern Montana Oil & Gas Association,** discussed the small independent owners, history, and what they do.

***{Tape : 4; Side : A; Approx. Time Counter : 89}***

**Tom Richmond, Board of Oil & Gas Conservation,** stated they want to support these projects, however the committee chooses to grant the funds.

***{Tape : 4; Side : A; Approx. Time Counter : 94}***



**Danny Mitchell**, lives in Cut Bank, owns oil and gas production in **Toole County**, provided further information on the ownership of a well and that the owner puts up cash for the bonding. If he sells the well, the new owner also bonds. If it is a major company, the state accepts a letter of credit.

*{Tape : 4; Side : A; Approx. Time Counter : 114}*

**Questions from Committee Members and Responses:**

**SEN. TESTER** questioned the number of wells, there were two figures given: 230 wells and 3,000 wells; which is correct. **Patrick Montalban** responded. **Tom Richmond** responded that there are 233 orphaned wells. **SEN. TESTER** questioned the Toole County funding and that if it was not used by the end of the fiscal year that it would not be renewed and will they be funded. **Greg Mills** and **Karen Bowmans** responded. **CHAIRMAN MCCANN** questioned why the funds had not been used. **Karen Bowmans** responded.

**REP. KASTEN** closed the combined hearings on the **2000 GLACIER COUNTY PLUGGING AND ABANDONMENT, AID TO INDEPENDENT OPERATORS, PROJECT NO. 23, PG. 61; LIBERTY COUNTY (BEAR PAW PLUG.....) PROJECT NO. 25, PG. 66 AND PONDERA COUNTY, PROJECT NO. 24, PG. 64.**

*{Tape : 4; Side : A; Approx. Time Counter : 202}*

**CHAIRMAN MCCANN** opened the hearing on the **PONDERA COUNTY, PROJECT NO. 24, PG. 64.**

**Proponents' Testimony:**

**Greg Mills**, **DNRC**, reviewed the project and their recommendation.

**Cindy Mullaney**, **Disaster and Emergency Services Coordinator for Pondera County**, described the wells within the county and the cost for plugging each well.

**Opponents' Testimony:**

**Elaine Mitchell**, **self-employed accountant and income tax preparer**, opposed to money being taken away from Toole County.

**Informational Testimony:**

**Tom Richmond**, **Board of Oil & Gas Conservation**, does support the project of plugging wells.

**Questions from Committee Members and Responses:**

**Brian McCullough** questioned the difference in costs between the state plugging a well and an independent plugging a well. **Tom Richmond** responded.

**CHAIRMAN MCCANN** closed the hearing on the **PONDERA COUNTY, PROJECT NO. 24, PG. 64.**

*{Tape : 4; Side : A; Approx. Time Counter : 324}*

**CHAIRMAN MCCANN** opened the hearing on the **LIBERTY COUNTY, PROJECT NO. 25, PG. 66.**

**Greg Mills, DNRC,** stated their recommendation and that it is the same as the previous two counties.

**Craig Erickson, Bear Paw Development,** discussed the scale of the project and the lack of resources. He stated that this project also includes Hill, Blaine and Choteau counties and that they are not taking funds away from Toole County and he explained their philosophy.

**Opponent's Testimony:**

**Elaine Mitchell, self-employed accountant and income tax preparer,** opposed to money being taken away from Toole County.

**Informational Testimony:**

**Tom Richmond, Board of Oil & Gas Conservation,** does support the project of plugging wells.

**Questions from Committee Members and Responses:** None.

**CHAIRMAN MCCANN** closed the hearing on the **LIBERTY COUNTY, PROJECT NO. 25, PG. 66.**

*{Tape : 4; Side : A; Approx. Time Counter : 425}*

**CHAIRMAN MCCANN** opened the hearing on the **CUSTER COUNTY, PROJECT NO. 11, PG. 31.**

*{Tape : 4; Side : A; Approx. Time Counter : 461}*

**Kathleen Richards, DNRC,** reviewed the project and recommendation. The information gathered will be in coordination with ten other conservation districts located adjacent to the Yellowstone River.

They will conduct a geophysical features inventory and a geomorphic analysis of the river below Springdale, Montana. This information will be assembled in to a GIS database and will be readily available via the internet, through tours, seminars and a national conference. She discussed the benefits of this data.

**REP. ROBERT R. STORY, JR., HD 24**, went on record in support of this project.

**REP. JOHN ESP, HD 25**, went on record in support of this project.

**REP. JOAN ANDERSEN, HD 23**, went on record in support of this project.

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**Custer County Project continued.**

**Dave Schwarz, co-chair of the Yellowstone Conservation District Council**, discussed the history and background of the project. They have a long and proven track record of getting things done, part of that is because they recognize that federal, state and local ordinances have real impacts on people. As a conservation district they are effective because they never forget that the key to good land management rests with those who own the land rather than depending upon regulations.

**Mike Penfold, volunteer for Montana Parks Association and Chair of the Yellowstone River Conservation Forum**. He described the purpose of the Yellowstone River Conservation Forum, the groups involved and how they work toward maintaining the Yellowstone River. He complimented the work of the Yellowstone Conservation District Council.

**Luther Waterland, past President of the Montana Association of Conservation Districts(MACD) and the MACD representative on the Council**, praised the council on their cohesiveness and that the grass roots efforts will succeed.

**Mike Murphy, Montana Water Resources Association**, stated they are in support of this program. The scientific information derived from this project will benefit all of Montana.

**Tony Barona, Sidney, Montana, Supervisor on the Richland County Conservation District and a member of the River Council**, stated his support of the project.

**Clint McFarland, supervisor on the Yellowstone Conservation District**, stated they were one of the organizers and instigators

of this council and requested the support of the committee for this project.

**{Tape : 4; Side : B; Approx. Time Counter : 139}**

**Steve Story**, supervisor on the Stillwater Conservation District, stated his support for this project.

**Deanna Dreyer**, represents the **Custer County Conservation District**, stated their full support of this grant.

**Robert Lubbers**, **Yellowstone Valley Audubon Society**, their support for the project and discussed the importance of the Yellowstone River to birds.

**Tom Stelling**, representing **Montana Associations of Conservation Districts (MACD)**, **Legislative Liaison**, spoke in support of this project and discussed the variety of members that represent a great cross-section of Montanans.

**Will Alexander**, supervisor from **Carbon County Conservation District**, stated their support of this project.

**Gay Easton**, representative of the **Yellowstone Conservation District** and urban representative, representing **Laurel, Broadview** in this area, stated their full support of this project.

**REP. KASTEN**, **HD 99**, has worked with the **Prairie County Conservation District** and supports this project.

**REP. MICHELLE LEE**, **HD 26**, provided a letter of her support for the project. **EXHIBIT(jlh17a06)**

**Questions from Committee Members and Responses:**

**REP. KASTEN** stated his appreciation for the group and their endeavors. **CHAIRMAN MCCANN** questioned the use and timing of the grant. **Dave Schwarz** responded.

**CHAIRMAN MCCANN** closed the hearing on the **CUSTER COUNTY, PROJECT NO. 11, PG. 31.**

**{Tape : 4; Side : B; Approx. Time Counter : 209}**

**CHAIRMAN MCCANN** opened the hearing on the **CASCADE COUNTY, PROJECT NO. 12, PG. 33.**

**Proponents' Testimony:**

**Greg Mills, DNRC**, reviewed the project and their recommendation.

**Doug Johnson, Administrator of the Cascade County Weed**, provided the history and background on this project. He provided a letter signed by the county's representatives and senators.

**EXHIBIT(jlh17a07)** He mentioned that County Commissioners Peggy Beltrone and Tom Stilling were in the audience.

**Peggy Beltrone, Cascade County Commissioner**, stated her support for this project.

**Tom Stelling, Cascade County Commissioner**, provided further background and history of the project.

**REP. JOE TROPILA, HD 47**, stated his support for this project.

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**SEN. TESTER** questioned the results of the test; if it identified the source of contamination; the amount of soil to be removed and where it will be shipped. **Doug Johnson** responded.

**CHAIRMAN MCCANN** closed the hearing on the **CASCADE COUNTY, PROJECT NO. 12, PG. 33.**

*{Tape : 4; Side : B; Approx. Time Counter : 315-517}*

**CHAIRMAN MCCANN** opened the hearing on the **SHERIDAN COUNTY CONSERVATION DISTRICT, PROJECT NO. 14, PG. 39.**

**Kathleen Richards, DNRC**, reviewed the project and recommendation.

**Jeff Wivholm, Sheridan County Conservation District**, discussed the history and the reclamation project. He stated that they have the support of **SEN. LINDA NELSON, SD #49** and **REP. DON HEDGES, HD97, Northeast Lime and Mineral Association, Oil & Gas Division, County Planner and County Commissioners.** He provided a two page fact sheet and an oil field reclamation map.

**EXHIBIT(jlh17a08) EXHIBIT(jlh17a09)**

**Informational Testimony:**

**John Reiten, Montana Bureau of Mines and Geology**, has worked with the conservation district on different projects and is available to answer questions.

**Questions from Committee Members and Responses:**

**SEN. TESTER** questioned the process of how they will determine the clean-up plan. **Jeff Wivholm** responded.

*{Tape : 5; Side : A; Approx. Time Counter : 0}*

**CHAIRMAN MCCANN** closed the hearing on the **SHERIDAN COUNTY CONSERVATION DISTRICT, PROJECT NO. 14, PG. 39.**

*{Tape : 5; Side : A; Approx. Time Counter : 4-68}*

**CHAIRMAN MCCANN** opened the hearing on the **DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION, PROJECT NO. 15, PG. 41.**

**Kathleen Richards, DNRC,** reviewed the project and recommendation

**Clive Rooney, DNRC,** discussed the 28 sites identified with hazardous waste; of those, 7 remain. He discussed the sites and how the funds would be spent.

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**REP. KASTEN** questioned the tire pile and their plans for clean-up. **Clive Rooney** responded.

**CHAIRMAN MCCANN** closed the hearing on the **DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION, PROJECT NO. 15, PG. 41.**

The meeting was adjourned.

**ADJOURNMENT**

Adjournment: 11:45 A.M.

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REP. MATT MCCANN, Chairman

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ANDREA HYATT, Secretary

MM/AH

**EXHIBIT** (j1h17aad)